Contracts

CHAIN ANALYSIS

- Status of Chains sold:

A Players:	Players in the market today and tomorrow
B Players:	Players in the market today but not tomorrow
C Players:	Not players today but will be players tomorrow
D Players:	Not players today or tomorrow

Pack Outlet Chains

A Players:	Total CIV: 232132 Contracted CIV: 163948	Total # Accounts: 1669 Total # Accounts Contracted 1082
B Players:	Total CIV: 54528 Contracted CIV: 40619	Total # Accounts: 447 Total # Accounts Contracted 238
C Players:	Total CIV: 9295 Contracted CIV: 5829	Total # Accounts: 82 Total # Accounts Contracted 40
D Players:	Total CIV: 15984 Contracted CIV: 2046	Total # Accounts: 198 Total # Accounts Contracted 22

Pack Outlet Action Plan - Status and Plans To Address:

- Presently contracted across 71% of A ranked chains and 74% of B ranked chains.
- The Region has targeted the following chains with our contracts. We are at different stages of presentation/negotiation.
  - Wilson Farms (93 stores/A rank)
  - Orloskis (31 stores/A rank)
  - Byrne Dairy (54 stores /B rank)
  - R.L. Vallee (10 stores/A rank)
  - Pump & Pantry (10 stores/A rank)
- Currently in negotiation with Fays Drug Stores (254 stores/B rank). See top 150 status for detail.
- C and D ranked chain stores presently under contract are selectively chosen for RJR benefit. Low volume, non productive calls are not contracted.

51863 0109

Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

CHAIN ANALYSIS - CONTINUED

Carton Outlet Chains

A Players	Total CIV: 87655 Contracted CIV: 83331	Total # Accounts: 184 Total # Accounts Contracted 168
B Players:	Total CIV: 46711 Contracted CIV: 36897	Total # Accounts: 201 Total # Accounts Contracted 141
C Players:	Total CIV: 0 Contracted CIV: 0	Total # Accounts: 0 Total # Accounts Contracted ~~116~~
D Players:	Total CIV: 49887 Contracted CIV: 25438	Total # Accounts: 287 Total # Accounts Contracted 116

Carton Outlet Action Plan - Status and Plans To Address:

- Desired CIV in A and B ranked chains is contracted. Presently covering 95% of the CIV in A ranked chains and 79% in B ranked chains.
- Negotiating with Market Basket (19 stores/D rank) and Jubilee Super (15 stores/D rank) to contract selected locations.
- Smith Market (9 stores/D rank) currently being evaluated due to declining volume. – to KAS

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Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

CHAIN ANALYSIS - CONTINUED

Cigarette Outlet Chains

A Players:	Total CIV: 81889 Contracted CIV: 81889	Total # Accounts: 20 Total # Accounts Contracted 20
B Players:	Total CIV: 0 Contracted CIV: 0	Total # Accounts: 0 Total # Accounts Contracted 0
C Players:	Total CIV: 0 Contracted CIV: 0	Total # Accounts: 0 Total # Accounts Contracted 0
D Players:	Total CIV: 0 Contracted CIV: 0	Total # Accounts: 0 Total # Accounts Contracted 0

Cigarette Outlet Action Plan - Status and Plans To Address:

- Plan to remain contracted across 100% of CIV.

Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

LOW VOLUME ANALYSIS

- **Pack Outlets - Pay Point Analysis**

Volume 0-99 Cartons/Week

	0-75	76-99	Total 0-99
# Of Accounts Contracted	348	299	647
Chains	277	202	479
Independent	71	97	168

Low Volume Pack Outlet Action Plan - Status and Plans To Address:

0-75

- Currently addressing this volume category.
- 0-50 CPW locations with contracts being cut.
- $120,000 - of annual contract liability cut from chains in this volume category during April.
- Objective in 50-75 C.P.W. locations is to sell Doral low volume business building contract in selected locations if beneficial to RJR.
- 70 Fays Drug locations are included in this ~~mix~~ 0-75 category. We are currently in negotiations with this chain to contract only selected locations.
- Sales force to be given target list of contracted stores ~~to take action in~~ this volume category to evaluate and make desired changes.
- Region status to be evaluated in mid June.

76-99

- 251 accounts in this volume category to be kept in place until July 1996. New York state to act on Indian Reservation tax proposal at the time. If the state is successful in collecting taxes, a significant volume increase will be experienced in these outlets.
- Remaining 48 accounts to be evaluated and non productive contracts cut.
- Region status to be evaluated in mid June.

51863 0112

Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

LOW VOLUME ANALYSIS

- Carton Outlets - Pay Point Analysis

Volume 0-200 Cartons/Week

	0-100	101-200	Total 0-200
# Of Accounts Contracted	54	129	183
Chains	47	103	150
Independent	7	26	33

Low Volume Carton Outlet Action Plan - Status and Plans To Address:

0-100

- All carton contracts in 0-100 volume category currently being cut.

101-200

- 50% of carton contracts in 101-200 volume category to be cut.
- Remaining 50% of carton contracts in 101-200 volume break to be kept in place until July of 1996. New York state to act on Reservation Tax proposal at that time. If the state is successful in collecting taxes, a volume increase will be experienced in these outlets.
- Sales force given a target list of contracted stores in these volume categories for evaluation and action.
- Region status to be evaluated in mid June.

51863 0113

Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

% CIV PROJECTIONS

- What are your plans to maximize the level of CIV under contract within your region? Pack, Carton, and Cigarette Outlet

Pack Outlets - Pay Point

Region Total Package CIV 1025762

Total # Of Accounts 12225

Total 100+ CPW CIV (Contract & Non-Contract) 674880

Of Accounts 100+ /CPN Total (Contracted & Non-Contracted) 3529

Total Contracted 100+ CPW CIV 478749

Of Accounts 100+ Contracted 2458

Opportunity and Action Plans in 100+ CPW & Pack Outlets:

Chain

- Key Account and Account Managers evaluating chain ~~merchandise~~ status ongoing for opportunities.
- The region is aggressively attempting to secure merchandising contracts in the following chains:

  - Wilson Farms (93 stores)
  - Orloskis (31 stores)
  - Byrne Dairy (54 stores)
  - R.L. Vallee (10 stores)
  - Pump and Pantry (10 stores)

Independents

- Divisions given target lists of accounts without RJR contracts and corresponding CIV for evaluation. Critical accounts to be identified and targeted with sales presentations.
- Status to be evaluated in mid June.

Current Package CIV Under Contract	520,000	50.7%
Region Projected Pay Point Total CIV in Pack Outlets	50%	

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Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

% CIV PROJECTIONS - CONTINUED

- Carton Outlets - Pay Point

Region Total Carton CIV 258145 # Of Accounts 1149

200+ CPW CIV 195736 # Of Accounts 454

Contracted 200+ CPW CIV 155236 # Of Accounts 200+ Contracted 343

Opportunity and Action Plans in 200+ CPW & Carton Outlets:

Chain

- Key Account Manager and Account Managers evaluating chain merchandising status ongoing for opportunities.
- The Region is attempting to secure merchandising contracts in the following chains:
  - Market Basket (19 stores/selected locations)
  - Jubilee Supermarkets (15 stores/selected locations)

Independents

- Divisions given target lists of accounts without RJR contracts and corresponding CIV for evaluation. Critical accounts to be identified and targeted with sales presentations.
- Status to be evaluated in mid June.

Current Carton CIV Under Contract	178504 Cartons	69.1%
Region Projected Pay Point Total CIV In Carton Outlets	63.8%	

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Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

% CIV PROJECTIONS - CONTINUED

- Cigarette Outlets - Pay Point

Region Total Cig. Outlets CIV 444,522 # Of Accounts 203

500+ CPW CIV 437,028 # Of Accounts 167

Contracted 500+ CPW CIV 427,591 # Of Accounts 500+ Contracted 161

Opportunity and Action Plans in 500+ CPW & Carton Outlets:

- Region presently covering 100% of targeted CIV.
- No RJR benefits would be realized by covering non-contracted CIV. Remaining accounts carry limited industry distribution.

Current Cig. Outlet CIV Under Contract	433,057 Cartons	97.4%
Region Projected Pay Point CIV	97.4%	

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Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000

TOP 150 CHAIN STATUS

BUFFALO REGION

Stewarts (255 CN Locations)

- RJR/B&W co-existence in place.
- RJR Level 1 contract in place.

Fays Drug (254 DG Locations)

- RJR/PM co-existence in place.
- Chain has offered RJR the Category Advisor position with exclusive merchandiser supplier rights.
- Concerns relative to the future of the category exist. Fays is trying to build a greater health conscious image.
- Store sales average 103 CPW with a distinct mix of high and low volume locations.
- RJR objective is to maintain our merchandising position without the burden of fixture cost. We are seeking a cost share deal tied in with a long term commitment for selected locations. There is a possibility that we will walk if we can't work out a beneficial program. Negotiations continue.

Tops (63 SM Locations)

- RJR/PM co-existence in place.
- RJR Level II contract in place.

Wegmans (50 SM Locations)

- RJR presently exclusive. PM negotiating a co-existence set up with chain.
- RJR Level II contract in place.

51863 0117

Source: https://www.industrydocuments.ucsf.edu/docs/hhym0000